Message Text

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PAGE 01 RANGOO 01288 01 OF 02 061123Z ACTION EA-09

INFO OCT-01 NEA-10 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SNM-02 AID-05 EB-07 /079 W

-----061130Z 044162 /11

R 060950Z MAY 77

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 3451

INFO CINCPAC

AMCONSUL HONG KONG

AMEMBASSY KUALA LUMPUR

AMEMBASSY BANGKOK

DEA BANGKOK

AMCONSUL CHIANG MAI

AMEMBASSY KATHMANDU

AMCONSUL MANDAL

"3,/AMEMBASSY NEW DELHI

USLO PEKING

AMEMBASSY VIENTIANE

CONFIDENTIAL SECTION 1 OF 2 RANGOON 1288

E.O. 11652: GDS

TAGS: ECON, PFOR, PINT, SNAR, BM SUBJ: JOINT WEEKA #17, APRIL 30 - MAY 6

CONTENTS

- 1. COUNCIL OF STATE MEMBERS DEMOTED
- 2. NE WIN CHINA VISIT CONTINUES
- 3. COMPENSATION FOR NATIONALIZATION
- 4. JOINT VENTURES DEFINED
- 5. LATE MONSOON PREDICTED
- 6. POPPY DESTRUCTION
- 7. REGISTERED DRUG ADDICTS

FND CONTENTS

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PAGE 02 RANGOO 01288 01 OF 02 061123Z

1. COUNCIL OF STATE MEMBERS DEMOTED (CONF)
AN OFFICIAL ANNOUNCEMENT MAY 4 APPOINTED U THAN
SEIN, STATE COUNCIL MEMBER WHO WAS ALSO ONE OF THE
ORIGINAL REVOLUTIONARY COUNCIL MEMBERS IN 1962,
CHAIRMAN OF THE SERVICES PERSONNEL SELECTION BODY,
AND U KYAW SOE, CENTRAL EXECUTIVE COMMITTEE MEMBER
OF THE BSPP, DIRECTOR OF THE CENTRAL INSTITUTE OF

PUBLIC SERVICES. THE TWO WERE ALSO PERMITTED TO RESIGN FROM THE STATE COUNCIL.

COMMENT: THE COUNCIL OF STATE IS A PRESTIGIOUS SINECURE AND REMOVAL FROM THAT BODY TO THESE MINOR POSITIONS IS A DEFINITE DEMOTION. IT IS NOT CLEAR WHY U THAN SEIN, WHO IS VERY SENIOR, IS BEING APPOINTED TO THE RELATIVELY INSGINIFICANT SERVICES PERSONNEL SELECTION BODY; U THAN SEIN HAS NOT BEEN ACTIVE THE PAST FEW YEARS. AS FOR U KYAW SOE, RUMOR HAS IT THAT HE RECEIVED HIS DEMOTION AS A RESULT OF PRESIDENTIAL PIQUE. U KYAW SOE CAME IN SECOND BEHIND SAN YU WITH NE WIN THIRD ON THE FIRST TWO BALLOTS FOR ELECTION OF CENTRAL COMMITTEE MEMBERS AT THE RECENTLY CONCLUDED THIRD PARTY CONGRESS.

2. NE WIN CHINA VISIT CONTINUES (LOU)
CONTINUING HIS CHINA VISIT, PRESIDENT NE WIN MET
WITH PRC VICE-PREMIER LI HXIEN-NIEN ON APRIL 29, AND
THE FOLLOWING DAY WITH PRC CHAIRMAN HUA KUO-FENG AND
VICE CHAIRMAN YET CHIEN-YEH. THE DISCUSSIONS WITH
HUA AND YEH WERE DESCRIBED IN THE PRESS AS "CORDIAL AND
FRIENDLY." BEFORE LEAVING PEKING ON A TOUR OF CHINA,
PRESIDENT NE WIN HOSTED A ZZATE BANQUET. TOASTS AT THEL
BANQUET WERE UNEXCEPTIONAL. PRESIDENTHNE WIN, HIS WIFE,
AND PARTY HAVE SINCE TOURED A NUMBER OF PLACES, INCLUDING
THE TACHAI PRODUCTION BRIGADE IN SHANSI, AND THE INNER
MONGOLIAN AUTONOMOUS REPUBLIC.

COMMENT: NO COMMUNIQUE WAS ISSUED AT THE CLOSE OF CONFIDENTIAL

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PAGE 03 RANGOO 01288 01 OF 02 061123Z

THE GUB/PRC TALKS IN PEKING AS WAS DONE DURING NE WIN'S LAST VISIT IN 1975. WHAT SIGNIFICANCE THIS HAS, IF ANY, IS AS YET UNCERTAIN, AND IT IS POSSIBLE THAT SUCH A COMMUNIQUE COULD STILL BE ISSUED PRIOR TO NE WIN'S

DEPARTURE FROM CHINA.

3. COMPENSATION FOR NATIONALIZATION (UNC)
THE GUB COMPENSATION COMMITTEE HAS REVIEWED 664 CLAIMS
FOR COMPENSATION FOR NATIONALIZED PROPERTY OUT OF 18,985
SUBMITTED SINCE THE COMPENSATION REGULATIONS WENT INTO
EFFECT IN 1974. OUT OF THE NUMBER REVIEWED, 538 CLAIMS
WERE APPROVED AND 367 HAVE BEEN PAID. MOST OF THE PAYMENTS (311) WERE MADE BETWEEN APRIL AND DECEMBER 1976.

COMMENT: COMPENSATION IS OBVIOUSLY A LONG, SLOW PROCESS IN BURMA, BUT THE FACT THAT THE GUB HAS RELEASED ADATA ON THE PROGRESS OF THESE CLAIMS INDICATES IT IS NOT ENTIRELY A DEAD ISSUE. IT MAY BE THAT THE RECENT FAILURE

TO APPROVE GUARANTEES FOR THE PRIVATE SECTOR PROMPTZ THE GUB TO PUBLISH THESE FIGURES AS AN INDICATION THAT IT INTENDS TO MEET ITS OBLIGATIONS TO PRIVATE ENTERPRISE.

4. JOINT VENTURES DEFINED (LOU)

U AYE HLAING, CHAIRMAN OF THE UNION BANK OF BURMA (CENTRAL BANK), RECENTLY ATTEMPTED TO CLARIFY FOR FOREIGN DIPLOMATS THE GUB POSITION ON JOINT VENTURES. HE SAID DIRECT AGREEMENTS BETWEEN THE GUB AND PRIVATE FOREIGN FIRMS WOULD NOT BE POSSIBLE; JOINT VENTURES REQUIRE A GOVERNMENT-TO-GOVERNMENT ARRANGEMENT. THE DONOR NATION COULD SUBCONTRACT THE PROJECT TO A PRIVATE FIRM, AND THIS CONSTITUTES A JOINT VENTURE IN GUB'S VIEW. THIS WOULD APPLY TO ALL SECTORS OF THE ECONOMY INCLUDING FISHERIES AND MINERAL EXTRACTION.

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PAGE 04 RANGOO 01288 01 OF 02 061123Z

COMMENT: THE CHAIRMAN'S CLARIFICATION SEEMS TO RULE OUT ANY POSSIBILITY FOR PRIVATE FOREIGN PARTICIPATION IN BURMA'S ECONOMY IN THE NEAR FUTURE AS "JOINT VENTURES" UNDER THIS DEFINITION ARE SYNONOMOUS WITH BILATERAL ASSISTANCE.

5. LATE MONSOON PREDICTED (UNC)

THE GUB AGRICULTURAL CORPORATION WARNED FARMERS THAT ACCORDING TO METEOROLOGY DEPARTMENT FORCASTS, THE MONSOON RAINS WILL ARRIVE INMURMA MUCH LATER THAN NORMAL. FARMERS WERE URGED TO MAKE CULTIVATION PLANS ON THE BASIS OF THIS FORECAST.

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PAGE 01 RANGOO 01288 02 OF 02 061126Z ACTION NEA-10

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CONFIDENTIAL SECTION 2 OF 2 RANGOON 1288

COMMENT: LATE MONSOONS AND/OR LOWER RAINFALL WOULD DIMINISH AGRICULTURAL PROSPECTS, ESPECIALLY FOR BURMA'S ALL-IMPORTANT RICE PADDY CROP. FAVORABLE WEATHER CONDITIONS FOR THE PST TWO GROWING SEASONS HAVE RESULTED IN BUMPER PADDY HARVESTS, BUT THIS FORECAST MAY MEAN THAT BURMA'S PADDY OUTPUT WILL BE REDUCED THIS CROP YEAR.

6. POPPY DESTRUCTION (UNC)

ACCORDING TO BURMESE PRESS REPORTS, THE GUB'S POPPY DESTRUCTION CAMPAIGN ERADICATED 8,769.42 ACRES OF OPIUM POPPY IN FY 1976/77 (APRIL 1976 TO MARCH 1977). THE VAST MAJORITY OF ACREAGE DESTROYED (8,104 ACRES) WAS IN THE SHAN STATE. CONFIDENTIAL

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PAGE 02 RANGOO 01288 02 OF 02 061126Z

7. REGISTERED DRUG ADDICTS (UNC)

ACCORDING TO THE CHAIRMAN OF BURMA'S DRUG ABUSE TREATMENT BODY, DEPUTY MINISTER OF HEALTH U KHIN NYEIN, THERZAARE OVER 20,000 REGISTERED DRUG ADDICTS IN BURMA. OUT OF THESE, SOME 15,000 ARE REGISTERED AS OPIUM ADDICTS,? 900 AS HEROIN ADDICTS AND ABOUT 4,000 ADDICTED TO OTHER DRUGS. U KHIN NYEIN SAID EFFORTS TO REGISTER AND TREAT DRUG ADDICTS, PAPWICULARLY AMONG HEROIN ADDICTS WERE REGISTRATION FIGURES ARE OBVIOUSLY TOO LOW, WOULD BE INTENSIFIED.

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